



General Assembly

January Session, 2001

Amendment

LCO No. 8365

Offered by:

REP. MCDONALD, 148th Dist.

To: Subst. House Bill No. 6880

File No. 636

Cal. No. 444

***"AN ACT UPDATING PROVISIONS RELATING TO THE UTILITY
COMPANIES' GROSS EARNINGS TAX."***

1 After line 480, insert the following and renumber the remaining
2 sections accordingly:

3 "Sec. 5. Subdivision (2) of subsection (b) of section 12-587 of the
4 general statutes is repealed and the following is substituted in lieu
5 thereof:

6 (2) Gross earnings derived from the first sale of the following
7 petroleum products within this state shall be exempt from tax: (A) Any
8 petroleum products sold for exportation from this state for sale or use
9 outside this state; (B) the product designated by the American Society
10 for Testing and Materials as "Specification for Heating Oil D396-69",
11 commonly known as number 2 heating oil, to be used exclusively for
12 heating purposes or to be used in a commercial fishing vessel, which
13 vessel qualifies for an exemption pursuant to section 12-412; (C)
14 kerosene, commonly known as number 1 oil, to be used exclusively for
15 heating purposes, provided delivery is of both number 1 and number 2

16 oil, and via a truck with a metered delivery ticket to a residential
17 dwelling or to a centrally metered system serving a group of
18 residential dwellings; (D) the product identified as propane gas, to be
19 used exclusively for heating purposes; (E) bunker fuel oil, intermediate
20 fuel, marine diesel oil and marine gas oil to be used in any vessel
21 having a displacement exceeding four thousand dead weight tons; (F)
22 for any first sale occurring prior to January 1, [2000] 2003, propane gas
23 to be used as a fuel for a motor vehicle; (G) for any first sale occurring
24 on or after July 1, 2002, grade number 6 fuel oil, as defined in
25 regulations adopted pursuant to section 16a-22c, to be used exclusively
26 by a company which, in accordance with census data contained in the
27 Standard Industrial Classification Manual, United States Office of
28 Management and Budget, 1987 edition, is included in code
29 classifications 2000 to 3999, inclusive, or in Sector 31, 32 or 33 in the
30 North American Industrial Classification System United States
31 Manual, United States Office of Management and Budget, 1997 edition;
32 or (H) for any first sale occurring on or after July 1, 2002, number 2
33 heating oil to be used exclusively in a vessel primarily engaged in
34 interstate commerce, which vessel qualifies for an exemption under
35 section 12-412.

36 Sec. 6. Subsection (a) of section 12-264 of the general statutes is
37 repealed and the following is substituted in lieu thereof:

38 (a) Each (1) Connecticut municipality or department or agency
39 thereof, or Connecticut district, manufacturing, selling or distributing
40 gas or electricity to be used for light, heat or power, in this chapter and
41 in chapter 212a called a "municipal utility", (2) company the principal
42 business of which is manufacturing, selling or distributing gas or
43 steam to be used for light, heat or power, including each foreign
44 municipal electric utility, as defined in section 12-59 and given
45 authority to engage in business in this state pursuant to the provisions
46 of section 16-246c, and (3) company required to register pursuant to
47 section 16-258a shall pay a quarterly tax upon gross earnings from
48 such operations in this state. Gross earnings from such operations
49 under subdivisions (1) and (2) of this subsection shall include (A) all

50 income classified as operating revenues by the Department of Public
51 Utility Control in the uniform systems of accounts prescribed by said
52 department for operations within the taxable quarter and, with respect
53 to each such company, (B) all income classified in said uniform
54 systems of accounts as income from merchandising, jobbing and
55 contract work, (C) income from nonutility operations, (D) revenues
56 from lease of physical property not devoted to utility operation, and
57 (E) receipts from the sale of residuals and other by-products obtained
58 in connection with the production of gas, electricity or steam. Gross
59 earnings from such operations under subdivision (3) of this subsection
60 shall be gross income from the sales of natural gas. Gross earnings of a
61 gas company, as defined in section 16-1, shall not include income
62 earned in a taxable year commencing prior to January 1, [2002] 2003,
63 from the sale of natural gas or propane as a fuel for a motor vehicle.
64 No deductions shall be allowed from such gross earnings for any
65 commission, rebate or other payment, except a refund resulting from
66 an error or overcharge and those specifically mentioned in section 12-
67 265. Gross earnings of a company as described in subdivision (2) of
68 this subsection shall not include income earned in any taxable quarter
69 commencing on or after July 1, 2000, from the sale of steam.

70 Sec. 7. Subsections (a) and (b) of section 12-217i of the general
71 statutes are repealed and the following is substituted in lieu thereof:

72 (a) There shall be allowed a credit for any taxpayer against the tax
73 imposed by this chapter, chapter 209, 210, 211 or 212 in any income
74 year or calendar quarter, as the case may be, commencing prior to
75 January 1, [2002] 2003, in an amount equal to ten per cent of the
76 amount of expenditures paid or incurred during such income year or
77 such quarter, as the case may be, for the incremental cost of purchasing
78 a vehicle which is exclusively powered by a clean alternative fuel.

79 (b) There shall be allowed a credit for any taxpayer against the tax
80 imposed by this chapter in any income year commencing on or after
81 January 1, 1994, and prior to January 1, [2002] 2003, in an amount equal
82 to fifty per cent of the amount of expenditures, other than those

83 described in subsection (a) of this section, paid or incurred during such
84 income year directly for (1) the construction of any filling station or
85 improvements to any existing filling station in order to provide
86 compressed natural gas, liquefied petroleum gas or liquefied natural
87 gas; (2) the purchase and installation of conversion equipment
88 incorporated into or used in converting vehicles powered by any other
89 fuel to either exclusive use of clean alternative fuel or dual use of such
90 other fuel and a clean alternative fuel, including, but not limited to,
91 storage cylinders, cylinder brackets, regulated mixers, fill valves,
92 pressure regulators, solenoid valves, fuel gauges, electronic ignitions
93 and alternative fuel delivery lines, if such converted vehicles, after
94 conversion, meet generally accepted standards, including, but not
95 limited to, the standards set by the American Gas Association, the
96 National Fire Protection Association, the American National Standards
97 Institute, the American Society of Testing Materials or the American
98 Society of Mechanical Engineers; or (3) the purchase and installation of
99 equipment incorporated into or used in a compressed natural gas,
100 liquefied petroleum gas or liquefied natural gas filling or electric
101 recharging station for vehicles powered by a clean alternative fuel,
102 including, but not limited to, compressors, storage cylinders,
103 associated framing, tubing and fittings, valves and fuel poles and fuel
104 delivery lines.

105 Sec. 8. Subdivisions (67) to (69), inclusive, of section 12-412 of the
106 general statutes are repealed and the following is substituted in lieu
107 thereof:

108 (67) Sales of and the storage, use or other consumption, prior to
109 January 1, [2002] 2003, of a new motor vehicle which is exclusively
110 powered by a clean alternative fuel. As used in this subsection and
111 subsections (68) and (69), "clean alternative fuel" shall mean natural
112 gas or electricity when used as a motor vehicle fuel or propane when
113 used as a motor vehicle fuel if such a vehicle meets the federal fleet
114 emissions standards under the federal Clean Air Act or any emissions
115 standards adopted by the Commissioner of Environmental Protection
116 as part of the state's implementation plan under said act.

117 (68) Sales of and the storage, use or other consumption, prior to
118 January 1, [2002] 2003, of conversion equipment incorporated into or
119 used in converting vehicles powered by any other fuel to either
120 exclusive use of a clean alternative fuel or dual use of any other fuel
121 and a clean alternative fuel, including, but not limited to, storage
122 cylinders, cylinder brackets, regulated mixers, fill valves, pressure
123 regulators, solenoid valves, fuel gauges, electronic ignitions and
124 alternative fuel delivery lines.

125 (69) Sales of and the storage, use or other consumption, prior to
126 January 1, [2002] 2003, of equipment incorporated into or used in a
127 compressed natural gas filling or electric recharging station for
128 vehicles powered by a clean alternative fuel, including, but not limited
129 to, compressors, storage cylinders, associated framing, tubing and
130 fittings, valves, fuel poles and fuel delivery lines used for clean
131 alternative fuel storage and filling facilities.

132 Sec. 9. Section 12-458f of the general statutes is repealed and the
133 following is substituted in lieu thereof:

134 On and after July 1, 1994, and until July 1, [2002] 2003, compressed
135 natural gas, liquefied petroleum gas and liquefied natural gas shall not
136 be subject to the tax imposed under section 12-458.

137 Sec. 10. Section 5 of this act shall be applicable to first sales
138 occurring prior to January 1, 2003, of propane gas to be used as a fuel
139 for a motor vehicle, but no interest shall be allowed or paid on any
140 overpayment resulting from the application of said section to such
141 sales occurring after January 1, 2000, but prior to July 1, 2001."

142 In line 483, after "date", insert ", except that section 5 shall take effect
143 January 1, 2002"